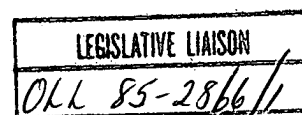


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7 November 1985

The Honorable William Proxmire
Vice Chairman
Subcommittee on Economic Resources,
Competitiveness, and Security Economics
Joint Economic Committee
Washington, D.C. 20510

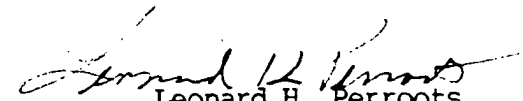
Dear Mr. Vice Chairman:

We received your letters inviting us to participate in the Joint Economic Committee's annual assessment of the Soviet and Chinese economies. In the letters you requested briefings from the Central Intelligence Agency (CIA) and the Defense Intelligence Agency (DIA) on the same day. Both agencies have agreed to a joint CIA/DIA briefing in closed, executive session.

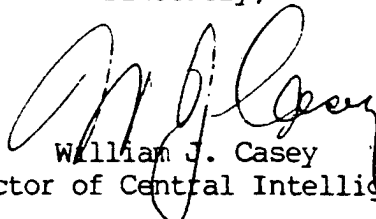
All of the subjects listed in your letters will be discussed in this joint presentation, and representatives from both agencies will be present to answer questions.

Regarding the date for the briefing, we understand that you have agreed to delay the session until late March 1986. This would provide time for us to digest information on Moscow's economic plan for 1986-90. The Soviets will be unveiling that information at the 27th Communist Party Congress in February 1986. In addition, the delay would enable us to have available information from a number of research projects currently underway. This information could have a substantial impact on our estimates of Soviet military expenditures and gross national product.

Sincerely,


Leonard H. Perroots
Lieutenant General, USAF
Director, Defense Intelligence Agency

Sincerely,


William J. Casey
Director of Central Intelligence

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Executive Secretary

27 Sep 85

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JOINT ECONOMIC COMMITTEE

(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)

Washington, DC 20510

September 26, 1985

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Mr. William J. Casey
 Director of Central Intelligence
 Central Intelligence Agency
 Washington, D.C. 20505

Dear Mr. Casey:

The purpose of this letter is to invite you or your designate to participate in the Joint Economic Committee's annual assessment of the Soviet and Chinese economies. As you know, I have been holding hearings on this subject since 1974. This year's hearing on the "Allocation of Resources in the Soviet Union and China" will be conducted by the Subcommittee on Economic Resources, Competitiveness, and Security Economics on Thursday, January 9, 1986, at 10:00 a.m., in closed, executive session.

In the past, the CIA and DIA have presented their assessments on separate days, sometimes weeks and even months apart. This year, I would like to receive the briefings from the CIA and DIA on the same day, and I am sending a similar letter of invitation to Lieutenant General James A. Williams making this suggestion.

In your presentation, I would like you to cover the apparent continued improvements of economic performance in the Soviet Union and China. The Subcommittee would benefit greatly from your assessment of these developments as well as the changes that have been instituted so far by the Gorbachev government, and your view of the policies he is likely to adopt. Specifically, what are the chances of significant economic reforms in the Soviet Union? I would also like your appraisal of the economic prospects for the two countries. Finally, I would like you to discuss defense allocations and the defense sectors of the Soviet Union and China.

Sincerely,

William Proxmire
 William Proxmire

Vice Chairman

Subcommittee on Economic Resources,
 Competitiveness, and Security
 Economics

DCI
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WP:rkt

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